

SB-289: A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE AMOUNT OF LIQUOR DISTILLED AT A MICRODISTILLERY THAT MAY BE SOLD TO A CUSTOMER FOR OFF-PREMISES CONSUMPTION; AND AMENDING SECTION 16-4-312, MCA."

DISTILLED SPIRITS					
Bottle size	Equivalent fluid ounces	Bottles per case	Liters per case	U.S. Gallons per case	Corresponds to
1.75 liters	59.2 Fl. Oz.	6	10.50	2.773806	1/2 gallon
1.00 liters	33.8 Fl. Oz.	12	12.00	3.170064	1 Quart
750 milliliters	25.4 Fl. Oz.	12	9.00	2.377548	4/5 Quart
375 milliliters	12.7 Fl. Oz.	24	9.00	2.377548	4/5 Pint
200 milliliters	6.8 Fl. Oz.	48	9.60	2.536051	1/2 Pint
100 milliliters	3.4 Fl. Oz.	60	6.00	1.585032	1/4 Pint
50 milliliters	1.7 Fl. Oz.	120	6.00	1.585032	1, 1.6 & 2 Oz.

*Federally mandated bottle size options for distilled spirits*

#### History:

The initial drafting of 16-4-312 MCA allows for Montana Micro-Distillers to sell for off-premise consumption 1L per person, per day. The standard liquor bottle sizes being offered by Montana Micro-Distillers is 750 mL, meaning that the micro-distiller is losing out on 250 mL of sales potentials per transaction. For those distillers producing more than a single product line, the current wording of 16-4-312 MCA doesn't easily allow for sales of multiple product lines to off-premise consumers.

#### Proposed:

The federal government, under the auspices of the TTB (Alcohol and Tobacco Tax and Trade Bureau), defines and limits the bottle sizes allowed for spirits sold in the U.S. The Montana Distillers are asking to change the current limit in 16-4-312 MCA of 1L to 1.75L per person, per day,

thereby allowing the distiller to sell a bottle concurrent with federal bottle size guidelines and to potentially sell additional product lines as the consumer desires.

#### Analogy and Concepts:

Although 1L is a legitimate bottle size, due to economics of bottle production, bottle mold costs, and customer desire, 1L bottles are rarely, if ever, sold by MT micro-distillers. The typical bottle sizes sold are 750 mL and 1.75 L bottle sizes.

In analogy, this is similar to telling a farmer that he can sell 100 lb bales but his baler only makes 75 lb and 175 lb bales. Since he is not allowed to sell the 175 lb bales, he is forced to sell 75 lb bales and lose out on 25 lbs of sales on every transaction. Like that farmer, we wish to be allowed to make what our equipment and market economics desire.

#### Impacts:

Montana Micro-Distillers are genuinely mindful that 95%+ of our sales progress through our primary customers, the Montana Liquor Stores, and then taverns and bars. In no way do we wish to become ad-hoc liquor stores. Our proposal will mostly allow for tourist and festival season traffic, rather than day-to-day sales.

As the tourist traffic isn't usually associated with the liquor stores, we believe that the impact of this change should be negligible to those entities. Additionally, the increased off-premise sales to tourist and festival season traffic, has the positive potential to increase awareness of Montana made products to a national market.